

Message Text

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TO SECSTATE WASHDC 1768
INFO AMEMBASSY LISBON
AMCONSUL OPORTO
COMUSFORAZ
USCINCEUR
CINCLANT

C O N F I D E N T I A L SECTION 1 OF 2 PONTA DELGADA 0334

E.O. 11652: N/A
TAGS: PINT, PO
SUBJECT: CONVERSATION WITH MINISTER OF THE REPUBLIC

REF: LISBON 6566(NOTAL), PONTA DELGADA 0329

SUMMARY: DURING A DINNER CONVERSATION AUGUST 31, THE MINISTER OF THE REPUBLIC RULED OUT THE POSSIBILITY OF A PS/PSD COALITION AT THE REGIONAL LEVEL, CRITICIZED THE REGIONAL GOVERNMENT'S MEDIUM TERM PLAN AS UNREALISTIC, AMATEURISH AND LACKING CORRECT PRIORITIES, ELABORATED ON HIS PLANS TO TRANSFER HIS OFFICE AND RESIDENCE TO TERCEIRA ISLAND AND SCORED THE REGIONAL GOVERNMENT FOR UNREASONABLE AND UNCONSTITUTIONAL AUTONOMY DEMANDS. END SUMMARY.

1. PROSPECTS FOR PS/PSD COALITION: MINISTER OF THE REPUBLIC GEN. GALVAO DE FIGUEIREDO SAID THERE WAS VIRTUALLY NO WAY THAT A POSSIBLE PS/PSD COALITION AT THE NATIONAL LEVEL COULD BE IMPOSED UPON THE REGIONAL GOVERNMENT OF THE AZORES(RGA). AS THE MAJORITY PARTY IN THE ISLANDS, THE LOCAL PSD, IN ANY EVENT MORE CONSERVATIVE
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THAN ITS MAINLAND COUNTERPART, HAD NO NEED NOR DESIRE TO ACCEPT SUCH AN ARRANGEMENT. HOSTILITY BETWEEN THE PS AND PSD, PARTICULARLY ON SAO MIGUEL, REMAINED TOO GREAT TO PERMIT EVEN A REAL DIALOGUE AT THE PRESENT TIME. THE REGIONAL PS COMMUNIQUE OF AUGUST 17 WHICH INTER ALIA OFFERED THE PSD THE OPTION OF INCREASED COLLABORATION WAS PREMATURE AND PRODUCED NO CONCRETE RESULTS.

2. THE RGA WAS LEGITIMATELY CONCERNED, HOWEVER, ABOUT WHAT APPEARED TO BE THE INCREASING PS/PSD COOPERATION AT THE NATIONAL LEVEL. SUCH A DEVELOPMENT MIGHT SERVE TO REDUCE THE SOCIALIST GOVERNMENT'S NEED TO WOO THE SUPPORT OF THE AZORES' 4 PSD DEPUTIES IN THE NATIONAL ASSEMBLY, THEREBY WEAKENING THE RGA'S LEVERAGE IN LISBON TO EFFECT A GRADUAL EXPANSION OF REGIONAL AUTONOMY.

3. REGIONAL GOVERNMENT MEDIUM TERM PLAN: THE MINISTER THOUGHT THE RGA'S MEDIUM TERM PLAN AMATEURISH AND UNREALISTIC. THE PLAN PROJECTED THE EXPENDITURE OF A HUGE AMOUNT OF CAPITAL WHICH, EVEN PRESUMING IT COULD BE RAISED LARGELY THROUGH A LAJES BASE AGREEMENT AS THE AZOREANS HOPED, THE ISLANDS SIMPLY DID NOT HAVE THE CAPACITY TO ABORB. ALREADY, FULLY FUNDED CONSTRUCTION PROJECTS ON SOME OF THE LESS POPULATED ISLANDS COULD NOT BE INITIATED BECAUSE SKILLED WORKERS, AND SOMETIMES SIMPLY SUFFICIENT MANPOWER, WERE UNAVAILABLE. ON THE MORE POPULATED ISLANDS WHERE MANPOWER WAS LESS OF A PROBLEM, THE PLAN HAD OTHER DRAWBACKS. THE PLAN'S OVER EMPHASIS ON SOCIAL OVERHEAD PROJECTS SUCH AS HOUSING AND WATER WAS MISGUIDED. TO KEEP THE POPULATION FROM IMMIGRATING JOB CREATION THROUGH THE ESTABLISHMENT OF INDUSTRY SHOULD HAVE BEEN GIVEN GREATER PRIORITY.

4. MINISTER'S MOVE TO ANGRA: AS EARLY AS LATE SEPTEMBER, THE MINISTER OF THE REPUBLIC WOULD MOVE HIS RESIDENCE, OFFICE AND ENTIRE STAFF, EXCEPT FOR A SMALL LIASON OFFICE, FROM PONTA DELGADA
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TO ANGRA DO HEROISMO ON TERCEIRA ISLAND. THE DECISION FOR THE TRANSFER WAS MADE IN JANUARY AFTER RGA PRESIDENT MOTA AMARAL'S REFUSAL TO CEDE THE MINISTER A LARGER PORTION OF THE BUILDING THEY BOTH PRESENTLY DIVIDE AND THE UNAVAILABILITY OF SUITABLE QUARTERS ELSEWHERE IN PONTA DELGADA. OTHER FACTORS INFLUENCING THE DECISION TO MOVE WERE THE CENTRAL GOVERNMENT'S DESIRE TO CATER TO INTER-ISLAND JEALOUSIES BY GIVING TERCEIRA A BIGGER PIECE OF THE ACTION AND BECAUSE THE ISLAND'S CENTRAL LOCATION AND SUPERIOR AIRPORT FACILITIES MADE COMMUNICATIONS EASIER.

5. ACCORDING TO THE MINISTER, THE CURRENT ARRANGEMENT IN WHICH HE AND THE RGA PRESIDENT SHARED THE SAME OUTER OFFICE FOR A TIME EVEN THE SAME SWITCHBOARD HAD BECOME INTOLERABLE. THE SEPARATION MIGHT AVOID THE CONSTANT SQUABBLES THAT RESULTED FROM SUCH CHEEK BY JOWL PROXIMITY AND HELP TO IMPROVE THE MINISTER'S STRAINED RELATIONS WITH THE RGA. HE ADMITTED, HOWEVER, THAT THE RGA WAS UNHAPPY WITH HIS LEAVING SAO MIGUEL ALTOGETHER, BECAUSE OF POSSIBLE INCREASED DIFFICULTIES IN COMMUNICATING WITH THE CENTRAL GOVERNMENT THROUGH THE MINISTER'S OFFICE.

6. THE MINISTER SAID HE HAD NO PLANS FOR REASSIGNMENT BACK TO THE CONTINENT, BUT MADE IT CLEAR THAT IT WAS HIS SENSE OF DUTY,

AND NOT ANY LOVE FOR THE JOB OR THE AZORES, THAT KEPT HIM HERE.

7. AUTONOMY: THE RGA'S DEMANDS TO ACCELERATE THE TRANSFER OF PERIPHERAL SERVICES WERE UNREASONABLE GIVEN ITS LIMITED ABSORPTIVE CAPACITY. EVEN MORE UNACCEPTABLE WERE ATTEMPTS BY THE RGA TO

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C O N F I D E N T I A L SECTION 2 OF 2 PONTA DELGADA 0334

HAVE THE NATIONAL ASSEMBLY ENACT WHAT HE TERMED UNCONSTITUTIONAL LAWS CEDING SOME BANKING AND FOREIGN EXCHANGE POWERS TO THE REGIONAL GOVERNMENT.

8. COMMENT: ALL PSD SOURCES CONTACTED AGREE WITH THE MINISTER'S ASSESSMENT THAT THE LOCAL PS' OLIVE BRANCH TO THE RGA HAS BEEN A NON-STARTER. RGA PRESIDENT MOTA AMARAL REPEATEDLY HAS MADE IT CLEAR THAT WHILE HE ACCEPTS DIALOGUE AND COOPERATION WITH THE PS IN ORDER TO PURSUE THE DEVELOPMENT OF AUTONOMY FOR THE ISLANDS, HE HAS NO POLITICAL NEED NOR MANDATE TO ACCEPT A COALITION WITH THE SOCIALISTS AT THE REGIONAL LEVEL. EVEN INCREASED LOCAL PS/PSD DIALOGUE MAY BE DIFFICULT. THE PURGE OF LEFTIST ELEMENTS IN THE LOCAL PS ADVOCATED BY THE AUGUST 17 COMMUNIQUE HAS NOT AND MAY NEVER MATERIALIZE GIVEN THE PRESENCE OF A NUMBER OF RADICALS AMONG THE SAO MIGUEL PS ORGANIZATION'S TOP LEADERSHIP. FURTHERMORE, THE PS' LIKELY SELECTION OF AN ABRASIVE, LEFT-LEANING FEMALE LAWYER AS PARTY MINORITY LEADER IN THE REGIONAL ASSEMBLY TO REPLACE THE MORE MODERATE AND PERSONALLY WELL-REGARDED ANTONIO JOSE GOULART, WHO HAS JUST LEFT TO STUDY IN THE U.S., WILL NOT

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IMPROVE THE PROSPECTS FOR PS/PSD DIALOGUE.

9. THE MINISTER'S DOUBTS ABOUT THE SMALLER ISLANDS' CAPACITY TO ABSORB THE MASSIVE INVESTMENTS ENVISIONED IN THE MEDIUM TERM PLAN ARE SHARED TO SOME EXTENT BY AT LEAST ONE MEMBER OF THE RGA. TRANSPORTATION AND TOURISM SECRETARY JOSE PACHECO DE ALMEIDA TOLD THE PRINCIPAL OFFICER THAT THE RGA RECENTLY HAS SUSPENDED A ROAD CONSTRUCTION PROJECT ON PICO ISLAND BECAUSE SUFFICIENT LOCAL MAN POWER WAS SIMPLY NOT AVAILABLE.

10. THE MINISTER'S MOVE TO ANGRA HAS DRAWN FIRE PRIVATELY FROM RGA OFFICIALS ON SEVERAL ACCOUNTS. MOST SERIOUSLY, THERE IS LEGITIMATE CONCERN THAT THEIR OFFICIAL CONTACTS WITH LISBON WHICH MUST BE EFFECTED THROUGH THE MINISTER'S OFFICE AND HAVE NEVER BEEN MADE VERY EASY BY HIM WILL BE FURTHER COMPLICATED BY DISTANCE. THE MOVE ALSO HAS BEEN VIEWED, PERHAPS UNFAIRLY, AS A NONE TOO SUBTLE ATTEMPT TO UNDERMINE RGA AUTHORITY AND THEREFORE ITS DRIVE FOR AUTONOMY BY FUELING INTER-ISLAND RIVALRIES. ON ANOTHER LEVEL, THE MINISTER HAS BEEN ROUNDLY CRITICIZED FOR SQUANDERING SUCH A LARGE SUM (ESTIMATES RUN FROM 15 TO 23 MILLION ESCUDOS) FOR POSH NEW QUARTERS AT A TIME WHEN THE NATIONAL GOVERNMENT IS CALLING FOR AUSTERITY.

11. THE MINISTER HAS NO ONE BUT HIMSELF TO BLAME FOR HIS PRIDICAMENT. BEFORE HE ASSUMED HIS POSITION, HE HAD BEEN WARNDDED BY THE THEN MILITARY GOVERNOR GENERAL ALTINHO DE MAGALHAES TO ESTABLISH HIMSELF DIRECTLY IN TERCEIRA TO AVOID UNNECESSARY FRICTION WITH THE NEW REGIONAL GOVERNMENT. HOWEVER, THE MINISTER CHOSE TO KEEP A CLOSE IN WATCH ON THE RGA, A TASK WHICH HAS BECOME INCREASINGLY ONEROUS.

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